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S E C R E T SECTION 01 OF 02 KATHMANDU 002502

SIPDIS

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LONDON FOR POL/REIDEL

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TAGS: [IN](#) [NP](#) [PGOV](#) [PTER](#) [RU](#)

SUBJECT: NEPAL: MILITARY AID RUNS AGROUND ON THE SHOALS OF
BUREAUCRACY

Classified By: Ambassador Michael Malinowski for reasons b,d.

1. (C) Summary: Delivery of M16A2 rifles for the Royal Nepalese Army (RNA), already two months later than scheduled, was delayed again on December 24 when the Government of India (GOI) denied overflight permission for the transport plane. The delay makes the US arms shipment the third in a string of military assistance packages that have fallen victim to bureaucratic obstacles on their way to Nepal. Continued delay in provision of promised military aid is prompting the Government of Nepal (GON) to look to India and other sources for an interim solution to its critical equipment needs. End summary.

BELGIAN AND US SHIPMENTS DELAYED

2. (C) On December 26, New Delhi DAO was contacted by a representative from Air Transport International (ATI), a freight company charged with delivery of 3,000 M16A2 rifles to Kathmandu, requesting urgent assistance in obtaining overflight approval for the transport plane. According to the ATI rep, their commercial agent failed to identify the plane's cargo as weaponry in the initial permit application, resulting in refusal of the request. After direct intervention with the GOI by Embassy New Delhi, the shipment of arms, intended to replace the RNA's outdated Indian Self-Loading Rifles, has been rescheduled for January 6, assuming that overflight clearance will be granted.

3. (S/NF) In addition, Post was informed on December 31 that ammunition intended for the "Balance Nail" training team has also been delayed by red tape. The ammunition was scheduled to arrive on a Thai Airways flight from Bangkok on December 31. However, the shipment didn't arrive in Thailand in time to make the flight to Kathmandu, and the agreement between Thai Airways and the GOI concerning hazmat overflight clearance expires at midnight. The ammunition will have to be rerouted on the less-reliable Royal Nepal Airlines, and should arrive on January 3, barring any further complications.

4. (U) The US shipments are only the latest in a string of military aid packages that have been held up by bureaucratic obstruction on their way to Nepal. Earlier in December, a plane carrying 500 Belgian Minimi machine guns was diverted to Kazakhstan when the Eastern European shipping company failed to meet Indian overflight requirements. Delivery of the machine guns has been postponed since December 14, while Nepali and Belgian diplomats in New Delhi sort out the proper application procedure for overflight clearances for arms.

UK HELICOPTERS STUCK IN BELARUS

5. (S/NF) Two critically needed MI-17 helicopters promised by the UK also have been delayed. Our British colleagues, citing their Belgian purchasing agent, expected the helicopters to be delivered early in December. Recently they learned that the Belarussian airframes have not yet been outfitted with engines and may not be outfitted with them any time in the near future. British diplomatic sources did not elaborate on the complications preventing the installation of engines, but implied that Russian organized crime and possibly government corruption were the root causes of the delay. The resulting cost increases, they say, are threatening to quash the entire deal. The RNA currently has only one mission-capable MI-17, its only significant troop-carrying helicopter.

RNA: "US HAS NOT DELIVERED"

6. (S/NF) The RNA is becoming increasingly frustrated with the inability of the US and other overseas supporters to provide arms as quickly as needed to counter increasing Maoist violence. The USG initially planned to deliver 5,000 M16A2 rifles in October 2002, and the RNA has already trained the units scheduled to receive the weapons. Although the RNA spokesman has publicly stated that once GOI overflight

applications are processed the army does not expect any further problems, confidential comments have been less sanguine. "The US has promised a lot but has not delivered," one highly placed RNA officer told the Embassy SAO. "Other countries such as Israel, the UK, China and India have stepped up and performed, but the RNA is still waiting for the US to produce."

17. (C) RNA officials have asserted that they would like to equip their entire force with M16A2 rifles. In order to meet their existing critical need for weaponry, however, the RNA has purchased several thousand inferior Indian Small Arms Systems (INSAS) rifles and plans to distribute them to three full brigades while waiting for US M16s. Embassy DATT plans to meet with the Indian DATT on January 3 to acquire further details.

COMMENT

18. (C) Post does not believe that the current refusal of overflight privileges by the GOI is part of a conscious effort to scuttle foreign military assistance to Nepal. The delay appears instead simply to be evidence that Indian requirements regarding the overflight of arms are too complicated for some transport companies to navigate successfully on the first try. However, while indications are that the present delay will be temporary and that the red tape surrounding the US and Belgian arms is slowly unraveling, Post is desirous to ensure that future shipments do not meet a similar fate. The convergence of bureaucratic obstacles and other postponements that have delayed the delivery of military aid undermines the credibility of the USG and other military suppliers, and threatens the effective coordination of international military assistance. And whatever the cause, failure to provide critically needed arms and equipment in a timely fashion to Nepal's beleaguered army compromises the ability of the GON to combat the Maoist insurgency and force the rebels to the bargaining table.

MALINOWSKI